

Senator Linda Evans Parlette

2004 LEGISLATIVE REVIEW

MAY 2004



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Leadership:

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Standing Committees:

- Ways and Means, vice chair
- Rules
- Children and Family Services & Corrections, vice chair
- Health and Long-Term Care

Special Committees:

Washington State Institute for Public Policy, Board of Trustees; Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2, Board of Trustees; Joint Legislative Task Force on Nursing Homes; Health Disparities Task Force; Joint Task Force on Mental Health

National Committees:

National Council of State Legislators' Health Committee; Women in Government, Washington State Director

Dear Friends and Neighbors:

The 2004 session is complete and it is a pleasure to be home from Olympia. I am pleased with what the Legislature was able to accomplish this year for the people of Washington state in the short 60-day session. We produced a supplemental operating budget that lives within the state's means, passed some good legislation, and ended the session on time. As always, there is more work to be done in the future.

It is my pleasure to provide you with this newsletter to briefly describe many of the significant issues that were addressed this session. If you are interested in more information on any of the issues covered in this newsletter, or other issues addressed this session, please do not hesitate to contact me.

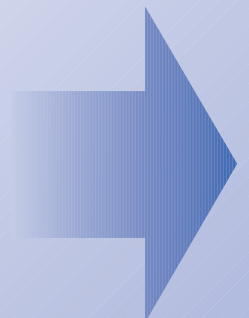
As always, I consider it an honor and a privilege to represent you.

Sincerely,

Linda Evans Parlette

Included inside:

- Supplemental operating and capital budgets
- Land inventory and use
- Transportation 2004
- Education
- Bill sponsorships
- Of importance to the district
- Unfinished business



Supplemental operating budget

Going into the 2003-05 biennium, Washington state faced a \$2.6 billion shortfall which means, at the rate of spending at that time, expenditures exceeded revenues by that much. Some extremely difficult sacrifices were made last year to begin to chip away at the hauntingly large shortfall. That sacrifice paid off, and as we look to the 2005-07 biennium, we have cut the shortfall by more than half, to \$1 billion. Although revenues to the state have picked up, the progress we made could have been jeopardized if we did not continue restraint in this year's supplemental operating budget. For every additional dollar spent this year, a bowwave of three dollars would have impacted the 2005-07 budget.

Coming into the 2004 session, we knew that we had to craft a supplemental operating budget for the remainder of the 2003-05 biennium that took care of unexpected costs, while continuing to chip away at the shortfall. The budget we approved meets the challenges before us without putting us in a dangerous financial situation in 2005-07 and without jeopardizing services for the most vulnerable in our society. The budget:

- Adds roughly \$164 million to the \$23.2 billion 2003-05 operating budget.
- Leaves approximately \$300 million in the state's emergency reserve account and contains no new taxes.
- Provides a raise to K-12 classified staff.
- Renews important tax incentives to maintain Washington's high-tech and biotech industries and revitalizes the potential for more family-wage aluminum industry jobs.
- Funds roughly 3,000 new college enrollments, including more high-demand enrollments for nursing, science and engineering.

Supplemental capital budget

Approval of the \$202 million 2004 supplemental capital construction budget marks the first time in state history that a capital budget has passed the Legislature without new bonds. It includes more than \$115 million in new spending for colleges and universities, while maintaining a small cushion under our state debt limit for future emergencies. 12th District projects include:

- **Central Washington University (CWU)**
Higher Education Center: \$1.5 million to relocate operations of the CWU center in Wenatchee onto the WVC campus.
 - **Wenatchee Valley College (WVC):** \$1,618,000 to design the Anderson Hall replacement building. The 65,000 square-foot, two-story building will house the Allied Health and Mathematics programs, Science and Physical Education classroom training, and the college administrative offices.
 - Routine maintenance, safety improvement and code requirement upgrades totaling \$450,000 are also funded for WVC.
- Provides valuable funding to care for our state's most vulnerable citizens in nursing homes, on children's Medicaid, and with developmental disabilities, as well as providing pay increases to those who provide services to our elderly and disabled residents receiving in-home health care.
 - Enhances domestic violence funding and protects mental health funding.

Land inventory and use (SSB 6242, Parlette)

The Washington Wildlife and Recreation Program (WWRP) was created in 1990 by the Legislature in response to increasing public demand for outdoor recreation land and growing concerns about loss of wildlife habitat. Administered by the Interagency Committee for Outdoor Recreation (IAC), the program's primary goal is to acquire land for wildlife conservation and outdoor recreation purposes and improve existing public recreational land.

SSB 6242, which I prime-sponsored, directs the IAC to produce an inventory of land transfers and purchases by state agencies for recreation and habitat use since 1980. Local government may contribute to the process.

The IAC must also recommend a statewide strategy for coordination of future acquisitions for these land transfers and purchases, which must include why land is needed and approaches on how to offset the loss of property tax revenues to state and local government.

Several counties throughout the state, including Chelan and Okanogan, have small property tax bases because much of the land is owned by nontaxable entities, like federal or state government. This new law gives the state an inventory of our land and what it is used for, allowing us to better evaluate future land acquisitions and identify ways to find a balance for our financially struggling counties.

Transportation 2004:

A green light for local roads projects

In 2003, a list of priority safety and congestion relief highway projects were approved and the gas tax was raised by 5 cents to fund this work. Transportation leaders came to this historic agreement by creating a one-time 5-cent-a-gallon gas tax increase. This 5-cent gas tax goes into a specially created account, the “Nickel Fund,” which has three main characteristics:

- The money people pay into the “Nickel Fund” stays in that fund;
- the money paid into the “Nickel Fund” can only be spent on the approved list of projects; and
- once the bonds on the projects are paid off, the “Nickel Fund” and the 5-cent gas tax increase go away.

Due to the fatalities occurring at the “Big Y” intersection, almost \$25 million was appropriated for this location, the biggest project selected in the 12th District. It was a surprise to most of us as improvements to the Sen. George Sellar Bridge were a local priority. Following a more “in depth” value engineering study, the Big Y funds were reduced to \$16.5 million. Local legislators hoped the remaining funds could be used for new projects in the district.

It became apparent early in the 2004 session that no new projects would be added to the “Nickel Fund.” The remainder of the \$25 million originally appropriated for the Big Y would be used as a safety-net for cost overruns and unanticipated expenses within the “Nickel Fund.”

Accepting those ground rules, my goal became to keep in the district the \$26 million originally designated for the 12th District. This was accomplished by earmarking \$9.36 million in the current law budget for the Sellar Bridge, of which \$2.48 million was appropriated in the 2004 budget. This commitment lays the groundwork for federal monies to be appropriated in the future.

Plans for the Big Y intersection are still a work in progress with the goal of thinking long-term and addressing safety issues, while having the least possible negative impact as possible.

Watch your nickel work

- US 2/Dryden – Install traffic signal to reduce traffic conflicts and accidents
- US 97A/Entiat Park Entrance – Construct a left turn lane into the park
- US2/97 Peshastin East – Construct a new interchange at the “Big Y”



**New portion
of the gas tax
“Nickel Fund”**

Education

WASL retakes (3ESHB 2195)

Another important step taken this year was authorizing students to retake the 10th grade Washington Assessment of Student Learning (WASL) test up to four times and providing an alternative for students who continually have trouble with taking this kind of test – even though they possess good basic skills and knowledge. It was important to get this process in place now because, in 2008, Washington students will need to pass the WASL or an alternative in order to graduate from high school.

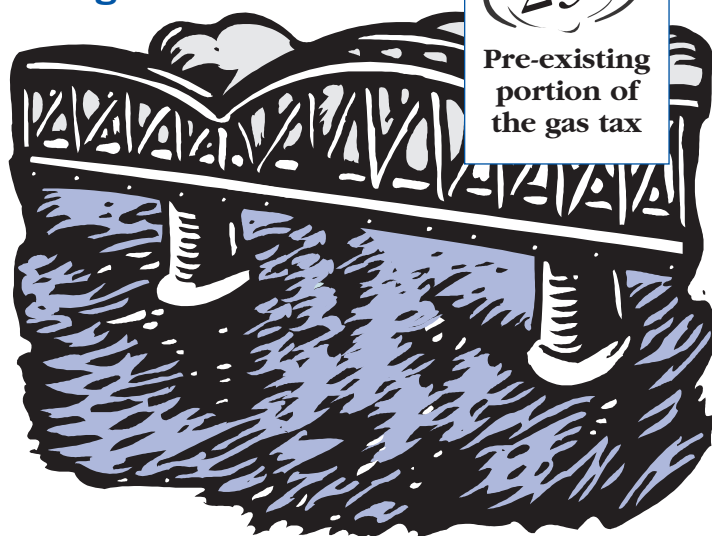
Retired teachers (SHB 2538)

Provides a \$1,000 minimum monthly retirement benefit for retired teachers who served at least 25 years and have been retired at least 20 years.

Charter schools (ESSHB 2295)

The new law authorizes up to 45 charter schools in the next six years to provide choice for educationally disadvantaged students so they can better meet the state’s academic standards. Educationally disadvantaged students include students with limited English proficiency, students with special needs, students who are economically disadvantaged, and students who may be at risk of failing to meet state and federal academic performance standards. Applications for charter schools will be approved at the discretion of local school districts.

Sen. George Sellar Bridge



Other new laws of interest to the 12th District

Agricultural lands (SB 6488)

The Department of Community, Trade and Economic Development will be required to report to the Legislature by Dec. 1, 2004, on how much land in Chelan, King and Yakima counties is designated for agricultural purposes, how much is in production, changes in these amounts since 1990, a comparison with other land uses, and effects on tax revenues. The purpose is to update the Legislature on how Growth Management Act requirements to designate agricultural resource lands are being implemented and how land designation is working.

Apple Commission (SHB 2367)

Rather than appealing the federal district court decision that declared Washington Apple Commission assessments were unconstitutional, a settlement was reached to restructure the commission and reduce the assessment on apples.

The new law fulfills the settlement, establishes the Apple Commission as a state agency, and increases government oversight of the commission. Additionally, a grower referendum process will be established after five years, which will allow producers to consider discontinuing the assessment.

Agritourism bill (SB 6237)

Farmers are now able to use their nonproducing agricultural land for other business purposes, as long as the business is tied in with agriculture. For example, a farmer could open a tool sharpening shop or a welding shop on nonused agriculture land.

Aluminum smelters (2SSB 6304)

The Legislature approved a tax incentive that could be vital in bringing our local Alcoa plant back into production. The key component to the bill for Wenatchee Works is the repeal of the public utility tax. The new law also provides, through 2006, a reduction in aluminum companies' business and occupation tax rate and provides some sales and use tax and natural gas tax exemptions.

PUD telecommunications (ESB 6598)

This session, efforts were made to clarify public utility districts' (PUDs) roles in Washington's telecommunications industry. PUDs must separately account for the expenses and revenue associated with the installation of telecommunications networks.



Sen. Parlette confers with Sen. Bob Morton, the prime sponsor of the Cougar Bill, on the floor of the state Senate.

Cougar bill (SSB 6118)

Cougar complaints to the state Department of Fish and Wildlife nearly doubled between 1996 and 1998, from 495 to 927. This growth coincides with the outlawing of hound hunting that came as a result of Initiative 655.

The new law allows Chelan, Okanogan, Pend Oreille, Stevens and Ferry counties, in partnership with the state's Fish and Wildlife Commission, to establish a three-year pilot program to better control, inventory and report their cougar populations.

Primary election (ESB 6453)

Our state's popular "blanket primary" system was recently deemed unconstitutional, and this session, the Legislature scrambled to find a viable alternative. The choice came down to two plans:

- **"Top Two"** – the top two vote-getters in each race, regardless of party, advance to the general election ballot.
- **"Modified Montana"** – requires all voters to choose a party ballot and vote only for candidates in that party for each race.

The Senate approved the "Top Two" and the House amended the bill by adding the Montana style primary if the Top Two is challenged by the major political parties and the courts throw it out. The governor vetoed the Top Two system, leaving the Montana style in place for 2004 and beyond. On April 1, the Washington State Grange announced it would begin gathering signatures on I-872, an initiative to the people that implements the Top Two system.

Bill sponsorships:

I am very pleased to share with you bills I prime-sponsored this session that were approved overwhelmingly by the Legislature and signed into law by the governor.

Land inventory and use (SSB 6242)

On page two.

Preventing identity theft (SSB 6494)

This new law, which was at the request of a constituent, prevents identity theft by prohibiting the use of Social Security numbers on health insurance I.D. cards.

Agricultural burning (SSB 6155)

This new law, a request of the Douglas County commissioners and a team effort by one of my seat-mates in the House and me, clarifies the practice of orchard tear-outs to prevent the spread of pests and diseases. This will hopefully prevent the Department of Ecology from restricting the burning of orchard tear-outs regardless of if the land will be replanted or not. Clean air restrictions when burning remain unchanged.

Adult family homes (SSB 5797)

This new law allows DSHS to use its inspection resources where they are most needed. Adult family homes with a track record for safety will have less frequent inspections, not to exceed 24 months, while troubled locations will experience more frequent inspections.

Boarding and nursing homes (SSB 6160)

This new law authorizes boarding and nursing homes to establish quality assurance committees, which allows the homes to air safety and service concerns and address them without the knowledge of DSHS or the risk of citation. If the home is able to fix a first-time or harmless violation before a DSHS inspection is complete, no citation will be issued.

Unfinished business

Health insurance reform (ESHB 2460)

The Legislature approved a bill this session which contains a number of very important provisions in insurance reform, including changing the definition of a small group, giving greater flexibility to carriers on the renewal of plans, and adjusting community rating provisions. The bill did not contain provisions to reduce mandates to make health care plans more

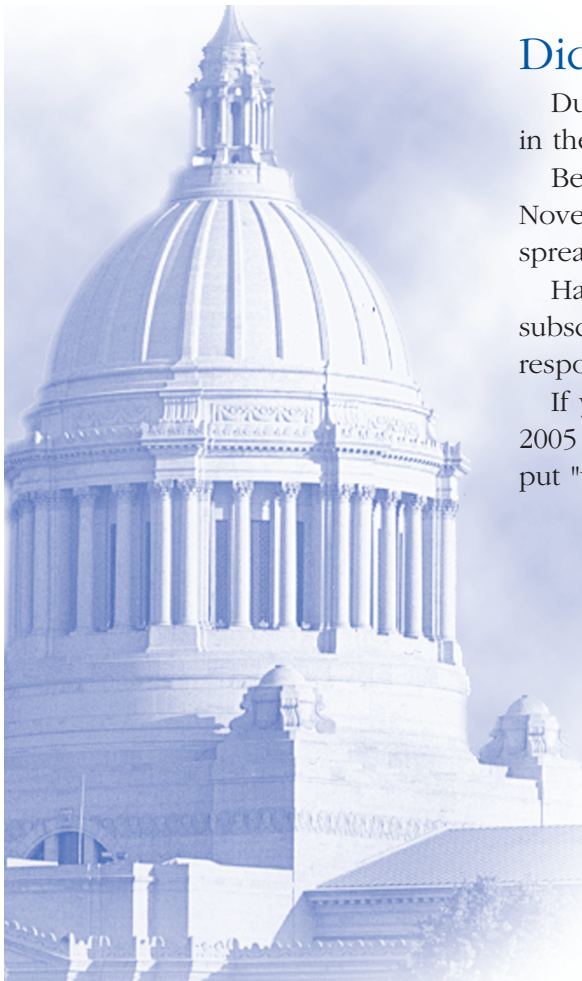
affordable for small businesses. While I believe the bill will provide stabilization to the small group health insurance market, there is still a lot of work to be done next year.

Civil liability reform (ESSB 5728)

The upward spiral of liability insurance premiums, including medical malpractice, brought on by out-of-control and frivolous lawsuits, severely compromises access and affordability of important goods and services, like health care.

A major effort to drive down liability insurance costs failed in the 2003 and 2004 sessions due to the lack of negotiations between the House and the Senate.





Did you know?

During an election cycle, legislators running for re-election are limited in the amount of correspondence they can send to constituents.

Beginning Dec. 1 of last year until approximately a month after the November 2004 general election, I am limited to sending only two widespread newsletters or e-mails into the district.

Halfway through the session, I sent an e-mail update to those who had subscribed. This newsletter is the second of my allowed widespread correspondence for the election cycle.

If you would like to be added to my weekly e-mail update list for the 2005 legislative session, please e-mail me at parlette_li@leg.wa.gov and put "weekly e-mail update" in the subject line.

A change in my office

As many of you may know, I have a new legislative assistant, **Shiloh Burgess**. Shiloh, a recent graduate of Eastern Washington University and a North Central Washington native, was my legislative intern in the 2003 session. She has proved to be a "quick study," and because of her we will now have a district office in Wenatchee while the Legislature is not in session. We welcome your calls and encourage you to visit us at 625 Okanogan Ave., Suite 301 in Wenatchee.

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